

FOOTHILL TRANSIT

MINUTES

The study session of the Foothill Transit Executive Board was held Friday, December 11, 2009, at the Foothill Transit Conference Room, 100 South Vincent Avenue, 2nd Floor, West Covina.

Vice Chair Chandler called the meeting to order at 8:30 a.m. The following members were present, constituting a quorum of the Executive Board:

Roger Chandler, Vice Chair
Peggy Delach
Carol Herrera
Paula Lantz

Excused Absence

Michael De La Torre, Chair

Motion: Vice Chair Chandler, esconded by Member Delach
Vote: Unanimously carried

Pledge of Allegiance

Vice Chair Chandler led those present in the Pledge of Allegiance.

Doran Barnes, Executive Director, informed the Board that the purpose for the study session was to build strategic goals to ensure that programs planned for the 2010 coming year are successful.

PUBLIC COMMENT

There was none.

TRANSIT AND LOCAL FUNDING INITIATIVE

Doran Barnes introduced Mr. Ben Wong, Executive Director, and Ms. Jennifer Quon, Regional Manager, League of California Cities, who are leading the effort to move the Transit and Local Funding Initiative forward in Los Angeles.

Ms. Quon reported that the League of California Cities has been working with the coalition of local government, sister agencies, and coalition partners to qualify the measure for the November 2010 ballot.

**Foothill Transit
Special Executive Board Study Session
December 11, 2009 Minutes
Page 2**

In August 2009, a survey was conducted and 62% of California voters stated that they trust local government, and would support a statewide ballot measure to prohibit the State from taking local government dollars. Because of the support, the League of California Cities supports local government's intent to retain local funds, for transit and other programs.

Fund diversion from the State during the current budget cycle has reached large-scale proportions; \$2 billion in local property taxes was used to pay schools; \$2 billion in redevelopment funds was taken with no intention of reimbursement; \$910 million was shifted away in transit funding; and \$5 billion earmarked for transit agencies has been diverted since 2000. As a result, transit services have been forced to cut routes, staffing and public services. The Transit Funding Initiative intends to protect local funds from being diverted again.

The proposed initiative would prevent state government from taking or borrowing:

- local imposed sales taxes;
- local property taxes;
- HUDA (Highway Users State Tax);
- gasoline sales tax; and
- redevelopment dollars.

In short, all local tax monies would stay local and not be diverted for State use. Approximately 1.1 million signatures will be required for the measure to reach the ballot; 80,000 signatures are anticipated from the County of Los Angeles.

The California State Association of Counties (CSAC) along with other stakeholders including the Local Governmental Agency, the California Alliance for Jobs, and the California Transportation Association were involved in drafting the language for the initiative. The initiative language was filed with the Attorney General's Office, and Title and Summary are anticipated by the end of December 2009.

Doran Barnes proposed agendizing the initiative for the January 2010 Foothill Transit Executive Board meeting. He proposed that signatures be collected at various Foothill Transit Park and Ride stations, provided it is done in the capacity of private citizens. Mr. Ben Wong urged an early campaign for signatures to facilitate better public awareness and a positive response.

Darold Pieper, General Counsel, advised that Foothill Transit cannot campaign in support of the initiative, but can educate the public about the importance of local funding to benefit public transportation.

The Executive Board received and filed the overview presentation and instructed staff to agendize the initiative for its next meeting in January 2010.

PASADENA SERVICE COORDINATION

Mr. Barnes reported on the feasibility of Foothill Transit's merger with Pasadena's Area

Foothill Transit
Special Executive Board Study Session
December 11, 2009 Minutes
Page 3

Rapid Transit System (ARTS) which has a fleet of 22 buses with service paid by the City. While ARTS does not participate in regional funding, Foothill Transit does; a merger would benefit both entities because ARTS' miles and fare units would be included in Foothill's stats resulting in more federal and sales tax money. Pasadena would continue to provide local return dollars to support the program, and the new regional dollars would be used to enhance services in the city and the region. Using this concept, a model could be crafted and incorporated into other cities.

Kevin McDonald, Deputy Executive Director, added that ARTS has fleet issues and some of its buses need to be replaced. In addition, buses that exceed 30 feet would also need to be replaced with an alternate fuel vehicle to conform to alternate fuel standards. The City could use its operating costs for replacement of the buses; and if capital funding was used to address fleet needs, the City would provide a local match. Because ARTS' fleet of buses is owned by the City of Pasadena and First Transit, First Transit could replace its buses when its contract is renewed in June 2010. He further the merger would benefit Foothill Transit because operating costs would drop by \$3 per service hour resulting in substantial operational savings over a three-year period.

The Executive Board agreed to pursue the project and received and filed the overview presentation and instructed staff to continue dialogue with the City of Pasadena, and return to the Board at a future meeting with findings.

ELECTRIC BUS UPDATE

Mr. George Karbowski will visit the manufacturing plant to determine construction progress of the electric bus fleet, and will update the Executive Board at the December 18th meeting.

Completion of charging stations is behind schedule, and pushed back to June 2010. Delays have been attributed to the following:

- Difficulty in developing an of an infrastructure that is consistent with the existing design of the Pomona facility;
- It is the first charging station ever built by Proterra;
- The architect's unavailability to meet with the Board until February 2010 thereby delaying construction until March 2010;
- Receipt of transformers and other special equipment, and
- Extensive amount of electrical work involved in the construction.

In the interim, a temporary charging station will be available at the Pomona operating facility.

The Executive Board received received and filed the overview presentation.

STATE LEGISLATIVE ADVOCACY

Mr. Barnes referenced the State Legislative Advocacy contract with Capital Representation Group (CRG), and stated that at a past meeting it was recommended

that the Executive Board discontinue the contract with CRG.

However, calendar year 2010 will present challenges for transit-related issues in Sacramento such as the ongoing state funding challenges, the funding protection initiative that is expected to be on the November 2010 ballot, and other important bills that are crucial to Foothill Transit. Mr. Barnes will exercise the option to continue a contract with CRG as set forth in Foothill Transit's procurement guidelines.

The Executive Board received and filed the overview presentation and agreed with the Executive Director's recommendation to exercise the option to continue a contract with CRG.

WEST COVINA PARK AND RIDE

Mr. Barnes met with Dr. Forrest Tenant, former Mayor of the City of West Covina, who suggested that engaging other community leaders would help build momentum for the West Covina Park and Ride Project. Drexel Smith, former Mayor of Walnut and Michael Lewis, former Foothill Transit Board member, were recommended, as well as other key individuals. Mr. Barnes will schedule meetings in the near future with key individuals. He added that a community consultant would be helpful in promoting the Park and Ride, and recommended a Request for Proposal to solicit services.

The Executive Board received and filed the overview presentation and authorized the Executive Director to proceed with the RFP.

OPERATIONS CONTRACT COST AND ADJUSTMENTS

Mr. Barnes reported that Foothill Transit will face a \$6.1million deficit in FY 2010-2011; worse economical conditions may result if the excise tax credit is not approved by Congress.

Foothill Transit has three choices to address the deficit:

1. Raise fares, which oftentimes do not generate substantial income;
2. Reduce programs, which would affect direct operations and/or administrative costs; or
3. Tap into reserves that are available for continued operations.

All three options should be considered in advance of the February 2010 retreat where the deficit will be discussed at greater length and the Disaster Report and decisions relative to the deficit will also be addressed.

Foothill is also facing challenges with its operational contracts with First Transit and MV Transportation.

The Executive Board received and filed the overview presentation.

EXECUTIVE DIRECTOR COMMENT

There was none.

BOARD MEMBER COMMENT

There was none.

**CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section § 54956.9(c)
One Case**

The Executive Board recessed at 9:58 a.m. to Closed Session.
The Executive Board reconvened at 10:15 a.m. from Closed Session.
Darold Pieper, General Counsel, advised that no reportable action was taken.

ADJOURNMENT

There being no further business, the Executive Board adjourned at 10:15 a.m.

Staff and guests present:

Doran Barnes, Executive Director
Kevin McDonald, Deputy Executive Director
Darold Pieper, General Counsel
Ed Gill, Legal Counsel
Richard Hasenohrl, Director of Finance
David Reyno, Director of Government Relations
Gary Nehls, Director of Procurement
George Karbowski, Director of Operations & Maintenance
Roland Cordero, Director of Facilities
Felicia Friesema, Marketing & Communications Manager
Linda Somilleda, Director of Marketing & Communications
Araceli Lopez, Transit Stores Manager
Wayne Fritz, General Manager
Peter Greenberg, General Manager
Ken Woodman, Operations Contract Manager
Ben Wong, League of California Cities
Jennifer Quon, League of California Cities
Martha Arana, Commission Services